

Opening Statement of the Honorable Fred Upton
Subcommittee on Energy and Power
Markup on H.R. 3301, the North American Energy Infrastructure Act
November 19, 2013

(As Prepared for Delivery)

With today's subcommittee markup of HR 3301 we continue our efforts to support construction of the architecture of abundance. The bipartisan "North American Energy Infrastructure Act" is a bill that fills in the gaps created by executive orders and attempts to add much-needed regulatory certainty to energy infrastructure projects that cross the Canadian or Mexican border. I would like to thank Gene Green for joining me as co-sponsor of this important bill. From the very beginning, it was our wish that this legislation move ahead with a broad base of support.

The most significant energy storyline in recent years has been the unexpected increase in North American oil and natural gas production. This energy renaissance is creating enormous economic benefits. It is one of the few bright spots in our economy and is also changing the global geopolitical landscape, lessening our dependence on hostile nations. In fact, one of the most overlooked examples of how this newfound abundance has altered the geopolitical landscape is how the production increase in North America has offset the loss from Iranian sanctions. Just a decade ago, it is doubtful these sanctions would have remained in place due to the fears that the loss of oil from Iran would destabilize the global oil market. We should all be grateful and proud of this development.

However, the federal regulatory regime has failed to keep up with this dynamic advancement. Many new infrastructure projects, including oil and gas pipelines and electric transmission lines, will be needed to transport this growing energy abundance, including projects that cross our Northern or Southern borders. But these projects, along with the jobs and economic growth they will help generate, may be sitting on the sidelines for years due to the precedent and uncertainty set with the Keystone XL pipeline.

At our recent hearing on the legislation, we learned that just two years ago Canada faced a similar problem of regulatory delays and uncertainty. In response, they acted to responsibly update their regulatory structure to meet the demands of the 21st century. Mexico is currently debating updating its laws in order to modernize and better meet their energy needs. It is time for Congress to do the same, by providing certainty and rightfully asserting its role in deciding how energy projects should be allowed to cross our nation's borders. We need to wring political interference out of the energy permitting process and look to the future.

Under this bill, a 500 mile pipeline or a transmission line carrying new hydro from Canada or solar from Arizona that extends across the Canadian or Mexican border would be subject to the same regulatory scrutiny as a similar project that remained within the boundaries of the U.S. Such a project would no longer be subject to unlimited additional delays simply because of the border crossing.

My staff is currently working with Mr. Green and his staff, as well as the relevant federal agencies, stakeholders, and cosponsors of the legislation to address concerns that were raised at the legislative hearing. I welcome additional input from any members of this committee as we work toward introducing a revised amendment at full committee. It is my hope that we can find additional mutual support for HR 3301 to bring certainty and much-needed reform to the process currently plaguing these projects.

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